

SENATE BILL 197

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C7

2004 Regular Session
4r0071
CF 4r0101

By: **The President (By Request - Administration)**

Introduced and read first time: January 23, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education Bridge to Excellence - Funding - Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation
4 of certain video lottery terminals; requiring the Governor to appoint a member
5 of the State Racing Commission as a liaison to the State Lottery Commission;
6 altering the membership of the State Lottery Commission; specifying certain
7 requirements for members of the State Lottery Commission; requiring the
8 Governor to appoint a member of the State Lottery Commission as a liaison to
9 the State Racing Commission; providing that members of the State Lottery
10 Commission may be compensated as provided in the State budget; authorizing
11 the operation of video lottery terminals connected to a certain central computer
12 that allows the State Lottery Commission to monitor a video lottery terminal
13 and that has certain capabilities; prohibiting access to the central computer to
14 certain licensees with a certain exception; providing that only a person with a
15 certain video lottery operation license may offer a video lottery terminal for
16 public use in the State; providing that this Act is statewide and exclusive in its
17 effect and that certain laws do not apply to video lottery terminals authorized
18 under this Act; authorizing the State Lottery Commission to conduct certain
19 investigations and hearings; requiring the State Lottery Commission to adopt
20 certain regulations; authorizing the State Lottery Commission to require a
21 certain bond and collect certain fees, civil penalties, and taxes; authorizing the
22 State Lottery Commission to inspect and seize certain equipment, financial
23 information, and records without notice or warrant; authorizing the State
24 Lottery Commission to issue a certain number of video lottery operation licenses
25 under certain circumstances; requiring certain video lottery terminal
26 manufacturers, video lottery operators, video lottery employees, and other
27 individuals required by the State Lottery Commission to be licensed; providing
28 for the application and licensing process; establishing certain eligibility criteria
29 and disqualifying criteria for a video lottery operation license; requiring certain
30 video lottery operation licensees to maintain certain numbers of live racing
31 days; providing that the license of certain video lottery operation licensees may
32 be revoked if a certain horse racing event or trade names and other items
33 related to the event are transferred out of the State; requiring a certain licensee
34 to conduct a certain annual race with certain exceptions; requiring certain video
35 lottery operation licensees to submit to the State Lottery Commission a certain

1 plan to improve the quality and marketing of horse racing; requiring certain
2 video lottery operation licensees to offer for sale a certain percentage of equity
3 ownership to certain individuals under certain circumstances; requiring certain
4 applicants and licensees to comply with certain provisions of law relating to
5 minority business participation; specifying that certain collective bargaining
6 agreements do not negate certain provisions of this Act; providing for the
7 monitoring of certain provisions of this Act by the Governor's Office of Minority
8 Affairs; providing for certain eligibility criteria and disqualifying criteria for
9 certain licenses; providing for certain waivers of certain licensing requirements
10 under certain circumstances; providing for certain license terms; stating the
11 intent of the General Assembly relating to video lottery operation licenses;
12 prohibiting a video lottery operation license from being transferred or pledged
13 as collateral; prohibiting certain licensees from selling or otherwise transferring
14 more than a certain percentage of the legal or beneficial interest unless certain
15 conditions are met; requiring that the transfer of a certain interest in a person
16 that holds a video lottery operation license be approved by the State Lottery
17 Commission; requiring the Department of State Police to conduct certain
18 background investigations in a certain manner; requiring the State Lottery
19 Commission to buy or lease the video lottery terminals, associated equipment,
20 and central computer authorized under this Act; specifying limits on the number
21 of video lottery terminals allowed at certain facilities; allowing a certain number
22 of nonracetrack destination locations to be eligible for a video lottery operation
23 license under certain circumstances; establishing a Video Lottery Facility
24 Location Commission; establishing the membership of the Video Lottery Facility
25 Location Commission; establishing certain eligibility requirements for
26 membership on the Video Lottery Facility Location Commission; providing for
27 certain reimbursements and staffing; allowing the Video Lottery Facility
28 Location Commission to award not more than a certain number of video lottery
29 operation licenses to certain nonracetrack destination locations; requiring
30 certain nonracetrack video lottery facilities to be in certain counties; requiring
31 the Video Lottery Facility Location Commission to consider certain factors;
32 requiring the State Lottery Commission to make certain determinations and be
33 responsible for certain matters relating to nonracetrack destination locations;
34 allowing a certain number of video lottery terminals for nonracetrack
35 destination locations; requiring certain funds to be used to improve jockey
36 health benefits; providing the minimum payout for video lottery terminals and
37 authorizing the State Lottery Commission to adopt certain video lottery
38 terminal payouts; providing for the hours of operation of video lottery terminals;
39 prohibiting the State Lottery Commission from issuing certain licenses under
40 certain circumstances; prohibiting a video lottery operation licensee from
41 offering food or beverages at no cost with a certain exception or from offering
42 food and beverages below certain prices; requiring the State Lottery
43 Commission to adopt certain regulations to reduce or mitigate the effects of
44 problem gambling; authorizing the State Lottery Commission to reprimand a
45 licensee or deny, suspend, or revoke certain licenses under certain
46 circumstances; requiring the Comptroller to collect and distribute certain money
47 in specified ways; establishing the Education Trust Fund; requiring certain
48 distributions from video lottery proceeds to the Education Trust Fund to be used

1 for a certain purpose; establishing a Purse Dedication Account under the
2 authority of the State Racing Commission; providing for a certain distribution
3 from video lottery proceeds to the Purse Dedication Account for horse racing;
4 providing for certain distributions from the Purse Dedication Account for horse
5 racing in a certain manner; authorizing the State to pay certain transportation
6 costs; requiring the Department of Transportation to facilitate certain
7 negotiations; requiring a certain transportation plan to be developed by certain
8 counties; providing for the creation of certain local development councils;
9 providing for appointment and membership of certain local development
10 councils; requiring certain counties to develop certain plans to be reviewed by
11 certain local development councils; specifying that certain local development
12 grants should be used for certain purposes; authorizing certain fees and
13 providing for a certain distribution from certain fees to the Compulsive
14 Gambling Fund; creating a Compulsive Gambling Fund in the Department of
15 Health and Mental Hygiene; providing for certain disbursements from the
16 Compulsive Gambling Fund for certain purposes; exempting a certain
17 procurement by the Commission from certain provisions of law; requiring the
18 Commission to make a certain annual report by a certain date; requiring the
19 Department of Transportation to conduct a certain study and make a certain
20 report by a certain date; requiring a certain certification entity to conduct
21 certain studies and make certain reports; making the provisions of this Act
22 severable; providing for the staggering of the terms of certain new members of
23 the State Lottery Commission; defining certain terms; providing for the
24 termination of certain provisions of this Act; providing that certain provisions of
25 this Act are contingent on the termination of another Act; and generally relating
26 to the operation of video lottery terminals at certain locations in the State.

27 BY adding to
28 Article - Business Regulation
29 Section 11-202(g)
30 Annotated Code of Maryland
31 (1998 Replacement Volume and 2003 Supplement)

32 BY repealing and reenacting, with amendments,
33 Article - State Government
34 Section 9-105 and 9-108(d)
35 Annotated Code of Maryland
36 (1999 Replacement Volume and 2003 Supplement)

37 BY adding to
38 Article - State Government
39 Section 9-1A-01 through 9-1A-34 to be under the new subtitle "Subtitle 1A.
40 Video Lottery Terminals"
41 Annotated Code of Maryland
42 (1999 Replacement Volume and 2003 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article - State Finance and Procurement
3 Section 11-203(a)(1)(xviii) and (xix) and (b)(3)
4 Annotated Code of Maryland
5 (2001 Replacement Volume and 2003 Supplement)

6 BY adding to
7 Article - State Finance and Procurement
8 Section 11-203(a)(1)(xx)
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2003 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article - State Finance and Procurement
13 Section 11-203(b)(1)
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article - State Finance and Procurement
18 Section 11-203(b)(2)
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2003 Supplement)
21 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article - Business Regulation**

25 11-202.

26 (G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
27 SERVE AS A LIAISON TO THE STATE LOTTERY COMMISSION ESTABLISHED UNDER
28 TITLE 9 OF THE STATE GOVERNMENT ARTICLE.

29 **Article - State Government**

30 9-105.

31 (a) The Commission consists of [5] NINE members appointed by the Governor
32 with the advice and consent of the Senate.

33 (b) (1) [Each] AT THE TIME OF APPOINTMENT, EACH member of the
34 Commission [must be a resident and citizen of the State.] SHALL BE:

- 1 (I) AT LEAST 25 YEARS OLD;
- 2 (II) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE
3 FOR AT LEAST 5 YEARS;
- 4 (III) A QUALIFIED VOTER OF THE STATE; AND
- 5 (IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR
6 GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT
7 INVOLVES MORAL TURPITUDE OR GAMBLING.
- 8 (2) A MEMBER OF THE COMMISSION MAY NOT:
- 9 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
10 LOTTERY TERMINALS;
- 11 (II) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A
12 LICENSE UNDER SUBTITLE 1A OF THIS TITLE; OR
- 13 (III) HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN
14 A PERSON HOLDING A LICENSE UNDER SUBTITLE 1A OF THIS TITLE.
- 15 (3) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL
16 PARTY.
- 17 (4) THE MEMBERS OF THE COMMISSION SHALL REFLECT THE
18 GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE.
- 19 (C) THE COMMISSION SHALL INCLUDE:
- 20 (1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;
- 21 (2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE
22 OR INVESTMENTS;
- 23 (3) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT; AND
- 24 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
25 TECHNOLOGY.
- 26 [(c)] (D) (1) The term of a member is 4 years.
- 27 (2) The terms of members are staggered [as required by the terms
28 provided for members of the Commission on October 1, 1984].
- 29 (3) At the end of a term, a member continues to serve until a successor is
30 appointed and qualifies.
- 31 (4) A member who is appointed after a term has begun serves only for
32 the rest of the term and until a successor is appointed and qualifies.

1 [(d)] (E) (1) Subject to the hearing requirements of this subsection, the
2 Governor may remove a member for cause.

3 (2) Before the Governor removes a member, the Governor shall give the
4 member notice and an opportunity for a public hearing.

5 (F) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
6 SERVE AS A LIAISON TO THE STATE RACING COMMISSION ESTABLISHED UNDER
7 TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

8 9-108.

9 (d) As provided in the State budget, a member of the Commission:

10 (1) may receive compensation [as payment for attendance at
11 Commission meetings or other lottery functions in the amount of:

12 (i) \$125 per meeting attended, not to exceed \$1,500 annually for a
13 Commission member who is not the chairman; and

14 (ii) \$165 per meeting attended, not to exceed \$2,000 annually for
15 the Commission chairman]; and

16 (2) is entitled to reimbursement for reasonable expenses incurred in the
17 performance of the duties as a member.

18 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

19 9-1A-01.

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (B) "APPLICANT" MEANS A PERSON WHO APPLIES FOR ANY LICENSE
23 REQUIRED UNDER THIS SUBTITLE.

24 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE
25 LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR
26 THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER
27 FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A
28 REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

29 (D) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE
30 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY
31 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY TERMINAL.

32 (E) "BACKGROUND INVESTIGATION" MEANS A SECURITY, CRIMINAL, AND
33 CREDIT INVESTIGATION OF A PERSON WHO APPLIES FOR OR WHO IS GRANTED A
34 LICENSE UNDER THIS SUBTITLE.

1 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
2 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN
3 AND WHO UTILIZES METHODS THAT ARE DEEMED BY THE COMMISSION AS CRIMINAL
4 VIOLATIONS INIMICAL TO THE INTEREST OF THE STATE.

5 (G) "CAREER OFFENDER CARTEL" MEANS A GROUP OF PERSONS WHO
6 OPERATE TOGETHER AS CAREER OFFENDERS.

7 (H) "CENTRAL COMPUTER" MEANS A CENTRAL SITE COMPUTER PROVIDED TO
8 AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO LOTTERY TERMINALS
9 COMMUNICATE FOR PURPOSES OF:

10 (1) INFORMATION RETRIEVAL; AND

11 (2) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

12 (I) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

13 (J) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND
14 POLICIES OF AN APPLICANT OR LICENSEE.

15 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
16 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
17 SUBTITLE, INCLUDING:

18 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING
19 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
20 COMPUTER;

21 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
22 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
23 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
24 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

25 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
26 TERMINALS; AND

27 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
28 OTHER RELATED ACTIVITIES.

29 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
30 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
31 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND
32 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
33 ADOPTION, OR NATURAL RELATIONSHIP.

34 (M) "LICENSE" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A
35 LICENSE REQUIRED UNDER THIS SUBTITLE.

1 (N) "LICENSEE" MEANS AN APPLICANT WHO HAS BEEN ISSUED A LICENSE
2 REQUIRED UNDER THIS SUBTITLE.

3 (O) "MANUFACTURER" MEANS A PERSON:

4 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
5 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL
6 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY
7 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
8 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
9 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
10 HOUSED;

11 (2) THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE,
12 OR OTHER ASSIGNMENT TO THE COMMISSION OR A LICENSEE; AND

13 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE
14 SALE, LEASE, OR OTHER ASSIGNMENT.

15 (P) "NONRACETRACK DESTINATION LOCATION" MEANS A LOCATION THAT IS
16 NOT A RACETRACK THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER
17 PROVIDED BY LAW A VIDEO LOTTERY OPERATION LICENSE.

18 (Q) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST OF AT
19 LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

20 (R) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
21 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

22 (S) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
23 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
24 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

25 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
26 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
27 SYSTEM.

28 (U) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
29 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
30 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
31 JACKPOTS.

32 (V) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
33 VIDEO LOTTERY TERMINAL.

34 (W) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO
35 HOLDS A LICENSE.

36 (X) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY
37 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

1 (Y) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A
2 PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

3 (Z) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER
4 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,
5 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

6 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME
7 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE
8 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR
9 OTHER DEVICE; AND

10 (II) BY THE ELEMENT OF CHANCE, MAY DELIVER OR ENTITLE THE
11 PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS,
12 MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE
13 AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

14 (2) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OR DEVICE:

15 (I) THAT DOES NOT DIRECTLY DISPENSE MONEY, TOKENS, OR
16 ANYTHING OF VALUE TO WINNING PLAYERS; AND

17 (II) DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT
18 USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR
19 TOKENS UNNECESSARY.

20 (3) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
21 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER TITLE 12,
22 SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.

23 9-1A-02.

24 (A) THIS SUBTITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.

25 (B) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY
26 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

27 (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO LOTTERY
28 TERMINALS CONNECTED TO A CENTRAL COMPUTER THAT ALLOWS THE COMMISSION
29 TO MONITOR A VIDEO LOTTERY TERMINAL.

30 (2) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE
31 CENTRAL COMPUTER INTO WHICH ALL LICENSED VIDEO LOTTERY TERMINALS MUST
32 BE CONNECTED.

33 (3) THE CENTRAL COMPUTER SHALL BE CAPABLE OF:

34 (I) CONFORMING TO THE PROTOCOLS OF THE VIDEO LOTTERY
35 TERMINALS LEASED OR PURCHASED BY THE COMMISSION UNDER THIS SUBTITLE;

1 (II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
2 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
3 LOTTERY TERMINALS;

4 (III) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL MONEY
5 INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

6 (IV) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY
7 TERMINAL AS THE COMMISSION DEEMS NECESSARY TO CARRY OUT THE PROVISIONS
8 OF THIS SUBTITLE; AND

9 (V) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE OF
10 OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

11 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION
13 LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER SYSTEM OR INFORMATION
14 FROM THE CENTRAL COMPUTER SYSTEM.

15 (II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE
16 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
17 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
18 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
19 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
20 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

21 (D) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE ISSUED BY
22 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
23 STATE UNDER THIS SUBTITLE.

24 9-1A-03.

25 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY
26 ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS
27 EXPRESSLY PROVIDED IN THIS SUBTITLE ARE PROHIBITED.

28 (B) THIS SECTION DOES NOT APPLY TO:

29 (1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

30 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
31 BUSINESS REGULATION ARTICLE;

32 (3) THE OPERATION OF SLOT MACHINES AS PROVIDED UNDER TITLES 12
33 AND 13 OF THE CRIMINAL LAW ARTICLE; OR

34 (4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
35 VETERANS', RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
36 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF
37 THE CRIMINAL LAW ARTICLE.

1 9-1A-04.

2 (A) THE COMMISSION SHALL:

3 (1) HEAR AND DECIDE, PROMPTLY AND IN REASONABLE ORDER,
4 LICENSE APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION,
5 REVOCATION, OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

6 (2) AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE
7 LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN
8 ANOTHER STATE;

9 (3) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS
10 SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;

11 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
12 ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;

13 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
14 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
15 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
16 TO LICENSING;

17 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF
18 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS
19 SUBTITLE;

20 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
21 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
22 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
23 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
24 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
25 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
26 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
27 PROPER; AND

28 (8) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
29 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
30 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

31 (B) THE COMMISSION MAY:

32 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT
33 ANY PLACE WITHIN THE STATE IN THE COURSE OF ANY INVESTIGATION OR HEARING
34 UNDER THIS SUBTITLE;

35 (2) ADMINISTER OATHS AND REQUIRE TESTIMONY UNDER OATH
36 BEFORE THE COMMISSION IN THE COURSE OF ANY INVESTIGATION OR HEARING
37 CONDUCTED UNDER THIS SUBTITLE;

1 (3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN A
2 MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE
3 MARYLAND RULES; AND

4 (4) PROPOUND WRITTEN INTERROGATORIES.

5 (C) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
6 SHALL CONDUCT A HEARING IN THE SAME MANNER AS SPECIFIED IN TITLE 10,
7 SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

8 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
9 FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:

10 (1) ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT
11 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
12 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
13 COMMISSION;

14 (2) ESTABLISHING THE METHODS, PROCEDURES, AND FORM FOR
15 DELIVERY OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY
16 PERSON'S FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
17 ACTIVITIES, AND FINANCIAL AFFAIRS;

18 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
19 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
20 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
21 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
22 THIS SUBTITLE;

23 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
24 CONDUCTED BY THE COMMISSION;

25 (5) ESTABLISHING THE MANNER AND METHOD OF COLLECTION OF
26 TAXES, FEES, AND CIVIL PENALTIES;

27 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
28 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
29 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
30 TERMINALS;

31 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
32 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE
33 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE
34 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT
35 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

36 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
37 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER
38 THIS SUBTITLE;

1 (9) GOVERNING THE MANUFACTURE, DISTRIBUTION, SALE, AND
2 SERVICING OF VIDEO LOTTERY TERMINALS;

3 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
4 MANAGEMENT CONTROLS;

5 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
6 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,
7 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
8 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

9 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF
10 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
11 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
12 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
13 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS
14 SUBTITLE AND THE REGULATIONS THAT SHALL BE ISSUED UNDER THIS SUBTITLE;

15 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE
16 AND MAINTAIN FINANCIAL VIABILITY;

17 (14) ENSURING THAT THE OPERATION OF VIDEO LOTTERY TERMINALS
18 AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY; AND

19 (15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS SUBTITLE.

20 (E) (1) THE COMMISSION MAY BY REGULATION REQUIRE AN APPLICANT OR
21 LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE FAITHFUL
22 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND ANY
23 REGULATIONS ISSUED UNDER THIS SUBTITLE.

24 (2) IF THE COMMISSION REQUIRES A BOND UNDER PARAGRAPH (1) OF
25 THIS SUBSECTION, AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT
26 SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE IS
27 ISSUED OR REISSUED.

28 (3) THE BONDS FURNISHED MAY BE APPLIED BY THE COMMISSION TO
29 THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

30 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
31 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
32 THAT ARE ADOPTED UNDER THIS SUBTITLE.

33 (2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS SHALL HAVE
34 THE AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:

35 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
36 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
37 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
38 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,

1 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
2 ARE PREPARED OR MAINTAINED;

3 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
4 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

5 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
6 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
7 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
8 EXAMINATION AND INSPECTION;

9 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
10 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
11 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
12 OR SIMILAR BUSINESS ENTITY; AND

13 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
14 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS
15 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
16 OPERATIONS.

17 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
18 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
19 THE COMMISSION.

20 9-1A-05.

21 (A) THE COMMISSION MAY ISSUE NO MORE THAN SIX VIDEO LOTTERY
22 OPERATION LICENSES.

23 (B) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A VIDEO
24 LOTTERY OPERATION LICENSE:

25 (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT
26 LAUREL PARK IN ANNE ARUNDEL COUNTY;

27 (2) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
28 PIMLICO RACE COURSE IN BALTIMORE CITY;

29 (3) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
30 ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY;

31 (4) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT THE
32 HORSE RACECOURSE IN ALLEGANY COUNTY; AND

33 (5) AN OWNER OR OPERATOR OF A NONRACETRACK DESTINATION
34 LOCATION DESCRIBED UNDER § 9-1A-34 OF THIS SUBTITLE.

35 (C) EXCEPT FOR NONRACETRACK DESTINATION LOCATIONS, THE
36 COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION LICENSE:

1 (1) TO AN APPLICANT WHO IS THE HOLDER OF A LICENSE TO HOLD A
2 RACE MEETING DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION; AND

3 (2) FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR THE
4 GEOGRAPHIC LOCATION ON JUNE 1, 2004, OF THE HORSE RACECOURSE FOR WHICH
5 THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.

6 9-1A-06.

7 (A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS SUBTITLE:

8 (1) A VIDEO LOTTERY OPERATOR;

9 (2) A MANUFACTURER;

10 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
11 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
12 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
13 AND

14 (4) A VIDEO LOTTERY EMPLOYEE.

15 (B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT
16 CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A
17 LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE
18 LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC
19 INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

20 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
21 UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE,
22 THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO LOTTERY
23 EMPLOYEE.

24 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF
25 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO
26 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
27 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT
28 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
29 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

30 9-1A-07.

31 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
32 APPLICATION:

33 (1) IN THE FORM THAT THE COMMISSION REQUIRES; AND

34 (2) ON OR BEFORE THE DATE SET BY THE COMMISSION.

35 (B) (1) THIS SUBSECTION DOES NOT APPLY TO LICENSE FEES FOR A VIDEO
36 LOTTERY OPERATION LICENSE.

1 (2) THE COMMISSION MAY BY REGULATION ESTABLISH A FEE FOR A
2 LICENSE UNDER THIS SUBTITLE.

3 (3) IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE, AN
4 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

5 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
6 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
7 PERSON'S QUALIFICATIONS.

8 (2) APPLICANTS AND LICENSEES SHALL PROVIDE INFORMATION
9 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
10 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

11 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
12 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
13 ISSUED UNDER THIS SUBTITLE.

14 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
15 DUTY TO:

16 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
17 THE COMMISSION; AND

18 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
19 HEARING CONDUCTED BY THE COMMISSION.

20 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
21 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE
22 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
23 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

24 (5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT SHALL
25 BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND
26 INVESTIGATION PURPOSES.

27 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
28 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
29 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
30 PURPOSES.

31 (6) (I) APPLICANTS AND LICENSEES SHALL HAVE A DUTY TO INFORM
32 THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON KNOWS OR SHOULD
33 KNOW CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED
34 UNDER THIS SUBTITLE.

35 (II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE
36 AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR
37 OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS
38 SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

1 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
2 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
3 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

4 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
5 OF THE APPLICANT OR LICENSEE;

6 (II) THE INTEGRITY OF ANY FINANCIAL BACKERS, INVESTORS,
7 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
8 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

9 (III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY,
10 AND INTEGRITY; AND

11 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
12 APPLICANT OR LICENSEE.

13 (D) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED UNDER
14 THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
15 COMMISSION, THE COMMISSION SHALL:

16 (1) REFER THE APPLICATION TO THE DEPARTMENT OF STATE POLICE
17 TO CONDUCT A BACKGROUND INVESTIGATION UNDER § 9-1A-20 OF THIS SUBTITLE
18 ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED
19 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE; AND

20 (2) IF THE APPLICANT IS APPLYING FOR A VIDEO LOTTERY OPERATION
21 LICENSE, CONDUCT A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND
22 ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
23 CONDITION OF A LICENSE.

24 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
25 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,
26 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE
27 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN
28 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR
29 DISQUALIFIED.

30 (2) IF AN APPLICATION FOR A LICENSE IS DENIED, THE COMMISSION
31 SHALL PREPARE AND FILE AN ORDER DENYING THE LICENSE WITH A STATEMENT OF
32 THE REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

33 (F) EXCEPT AS PROVIDED IN § 9-1A-13 OF THIS SUBTITLE, IF SATISFIED THAT
34 AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON TENDER OF ALL
35 REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES, AND ANY BOND
36 REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE COMMISSION SHALL ISSUE A
37 LICENSE FOR A TERM OF 1 YEAR.

1 9-1A-08.

2 (A) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS SUBTITLE, A
3 BUSINESS ENTITY APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE SHALL
4 PROVIDE THE FOLLOWING INFORMATION:

5 (1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
6 BUSINESSES OPERATED BY THE BUSINESS ENTITY;

7 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES
8 OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE
9 BUSINESS ENTITY;

10 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND SUBSIDIARY
11 COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES OF THE BUSINESS ENTITY;

12 (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
13 BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING, INTERMEDIARY, AND
14 SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES;

15 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
16 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR
17 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS
18 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
19 BUSINESS ENTITIES;

20 (6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP INTERESTS,
21 OR OTHER SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE OFFERED;

22 (7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,
23 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY
24 DEVICES UTILIZED BY THE BUSINESS ENTITY;

25 (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE BUSINESS
26 ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND UNDERWRITERS AND THEIR
27 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

28 (9) THE NAMES OF PERSONS OTHER THAN THE DIRECTORS AND
29 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
30 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

31 (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE BUSINESS
32 ENTITY;

33 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
34 ARRANGEMENTS;

35 (12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

36 (13) A LISTING OF STOCK OPTIONS.

1 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION
2 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY
3 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND
4 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY SHALL, AS
5 A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY
6 OPERATION LICENSE:

7 (1) QUALIFY TO DO BUSINESS IN THE STATE; OR

8 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
9 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
10 COMMISSION MAY REQUIRE.

11 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
12 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
13 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
14 REQUIRED BY THE COMMISSION.

15 (D) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION LICENSE
16 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING
17 CRITERIA:

18 (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING
19 EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR CONTROLS THE
20 APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

21 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
22 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
23 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
24 OR REQUESTED BY THE COMMISSION;

25 (3) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
26 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY
27 FACT MATERIAL TO QUALIFICATION;

28 (4) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO BE
29 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, INFORMATION
30 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE
31 QUALIFICATION CRITERIA;

32 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO
33 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN
34 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN
35 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE
36 OR A GAMBLING OFFENSE;

37 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS
38 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
39 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS PARAGRAPH; HOWEVER, AT

1 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE
2 APPLICATION DURING THE PENDENCY OF THE CHARGE;

3 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED TO BE
4 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF ECONOMIC
5 GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE
6 LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT
7 PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE
8 INIMICAL TO THE POLICIES OF THIS SUBTITLE;

9 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
10 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
11 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
12 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
13 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
14 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

15 (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON WHO
16 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
17 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF
18 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED
19 UNDER THE CRIMINAL LAWS OF THE STATE;

20 (10) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
21 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
22 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
23 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES
24 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
25 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

26 (11) ANY OTHER REASON ESTABLISHED IN REGULATIONS OF THE
27 COMMISSION AS A REASON FOR DENYING A LICENSE.

28 (E) (1) THIS SUBSECTION DOES NOT APPLY TO AN APPLICANT FOR A VIDEO
29 LOTTERY OPERATION LICENSE FOR A NONRACETRACK DESTINATION LOCATION.

30 (2) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER
31 THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL MEET THE FOLLOWING
32 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

33 (I) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR
34 THE APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$150,000,000 IN
35 DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS;
36 AND

37 (II) 1. THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
38 LEAST 500 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO
39 LOTTERY FACILITY; AND

1 (I) PROMOTE AND CONDUCT THE PREAKNESS STAKES AT THE
2 PIMLICO RACE COURSE EACH YEAR; OR

3 (II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS, THE
4 PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT THE PIMLICO
5 RACE COURSE, OR THE STATE RACING COMMISSION, UNDER § 11-513 OF THE
6 BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY EXISTS, PROMOTE AND
7 CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT ANOTHER TRACK LOCATED
8 IN THE STATE THAT IS APPROVED BY THE STATE RACING COMMISSION.

9 (D) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR LAUREL
10 PARK, THE EVENT KNOWN AS THE MARYLAND MILLION SHALL BE RUN ANNUALLY
11 AT LAUREL PARK UNLESS:

12 (1) THE LICENSEE IS PREVENTED FROM DOING SO BY WEATHER, ACTS
13 OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE; OR

14 (2) THE LICENSEE AND THE MARYLAND MILLION LLC AGREE TO
15 ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING COMMISSION.

16 (E) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE
17 SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE
18 THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION WHERE THE
19 LICENSE IS GRANTED.

20 (2) EACH PLAN SHALL INCLUDE:

21 (I) GOALS, INDICATORS, AND TIMELINES FOR SPECIFIC ACTIONS
22 THAT WILL BE TAKEN BY THE LICENSEE TO IMPROVE THE QUALITY AND MARKETING
23 OF THE HORSE RACING INDUSTRY IN MARYLAND; AND

24 (II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT
25 REFLECTS, AT A MINIMUM:

26 1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE
27 RACING COMMISSION;

28 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
29 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES THAT ARE NOT IN
30 ALLEGANY COUNTY OF AT LEAST \$4,000,000 ANNUALLY; AND

31 3. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
32 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES IN ALLEGANY COUNTY OF
33 AT LEAST \$1,150,000 ANNUALLY.

34 (3) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION
35 THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE SHALL JOINTLY
36 DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE
37 HORSE RACING INDUSTRY IN MARYLAND.

1 (II) THE JOINT PLAN SHALL INCLUDE GOALS, INDICATORS, AND
2 TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE THOROUGHBRED
3 AND HARNESS RACING INDUSTRY TO IMPROVE THE QUALITY AND MARKETING OF
4 THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING JOINT MARKETING
5 EFFORTS.

6 (F) THE PLANS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION SHALL
7 ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE
8 POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

9 9-1A-10.

10 (A) IN THIS SECTION, "QUALIFIED INVESTOR" MEANS AN INDIVIDUAL WHO
11 MEETS:

12 (1) THE QUALIFICATIONS AND CRITERIA ESTABLISHED BY §§ 9-1A-07
13 AND 9-1A-08 OF THIS SUBTITLE FOR A VIDEO LOTTERY OPERATION LICENSE;

14 (2) THE CRITERIA RELATED TO QUALIFIED INVESTORS UNDER THE
15 SECURITIES ACT OF 1933; AND

16 (3) WITH THE EXCEPTION OF § 14-301(I)(3) OF THE STATE FINANCE AND
17 PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE
18 STATE FINANCE AND PROCUREMENT ARTICLE FOR CERTIFICATION AS A MINORITY
19 BUSINESS ENTERPRISE.

20 (B) SUBSECTIONS (C) THROUGH (F) OF THIS SECTION DO NOT APPLY TO A
21 VIDEO LOTTERY OPERATION LICENSE FOR A FACILITY THAT IS A NONRACETRACK
22 DESTINATION LOCATION.

23 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON
24 OR BEFORE AUGUST 31, 2004, AN APPLICANT FOR A VIDEO LOTTERY OPERATION
25 LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL OFFER
26 FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP,
27 EITHER DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL
28 HOLD THE APPLICANT'S:

29 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

30 (II) VIDEO LOTTERY OPERATION LICENSE.

31 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON
32 OR BEFORE AUGUST 31, 2005, AN APPLICANT FOR A VIDEO LOTTERY OPERATION
33 LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY COUNTY SHALL OFFER FOR
34 SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP, EITHER
35 DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE
36 APPLICANT'S:

37 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

1 (II) VIDEO LOTTERY OPERATION LICENSE.

2 (3) IF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE IS AN
3 ENTITY THAT HOLDS MORE THAN ONE MILE THOROUGHBRED OR HARNESS RACING
4 LICENSE AND IS ELIGIBLE FOR MORE THAN ONE VIDEO LOTTERY OPERATION
5 LICENSE, THE APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL OFFER
6 TO QUALIFIED INVESTORS AT LEAST 10% OF THE EQUITY OWNERSHIP OF THE
7 ENTITY.

8 (D) IN ITS APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE, AN
9 APPLICANT SHALL DESCRIBE THE PROCESS THE APPLICANT HAS DEVELOPED TO:

10 (1) MAKE THE AVAILABILITY OF THIS INVESTMENT OPPORTUNITY
11 WIDELY KNOWN TO QUALIFIED INVESTORS;

12 (2) SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

13 (3) ENSURE, CONSISTENT WITH THE EXERCISE OF SOUND BUSINESS
14 JUDGMENT, THAT QUALIFIED INVESTORS WHO RESIDE IN MARYLAND ARE
15 PROVIDED WITH A PREFERENCE FOR SELECTION WITH A GOAL OF AT LEAST 50% OF
16 QUALIFIED INVESTORS.

17 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO
18 REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION
19 LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR
20 HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE
21 APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B) OF
22 THIS SECTION.

23 (2) (I) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AN
24 APPLICANT MAY NOT BE REQUIRED TO SELL AN EQUITY OWNERSHIP INTEREST IN
25 THE ENTITIES DESCRIBED IN SUBSECTION (B) OF THIS SECTION FOR A PRICE THAT IS
26 LESS THAN:

27 1. FAIR MARKET VALUE; OR

28 2. AS ADJUSTED ON A PRO RATA BASIS, THE VALUE PAID BY
29 THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS EVIDENCED BY
30 THE AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE MADE BY THE PRIMARY
31 EQUITY HOLDER.

32 (II) AT THE REQUEST OF A QUALIFIED INVESTOR, THE
33 COMMISSION SHALL REVIEW AND APPROVE THE PRICE DETERMINED BY THE
34 APPLICANT IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH.

35 (F) (1) THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY
36 COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND BACKGROUND
37 INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE EQUITY OWNERS OF AN
38 APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

1 (2) THE INFORMATION REQUIRED UNDER THIS SUBSECTION SHALL BE
2 PROVIDED TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY
3 AT LEAST 30 DAYS PRIOR TO THE AWARD OF A VIDEO LOTTERY OPERATION LICENSE.

4 (G) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
5 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR
6 LICENSEE SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A
7 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER
8 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9 (2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE
10 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN
11 THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT
12 SHALL MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS
13 TO THE EXTENT POSSIBLE.

14 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,
15 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,
16 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE
17 REQUIREMENTS OF THIS SUBSECTION.

18 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
19 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING
20 QUALIFIED EMPLOYEES FROM THE COMMUNITIES IN CLOSE PROXIMITY TO THE
21 VIDEO LOTTERY FACILITY.

22 (H) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
23 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A
24 CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

25 (2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL MONITOR A
26 LICENSEE'S COMPLIANCE WITH THIS SECTION.

27 (3) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL REPORT TO
28 THE COMMISSION AT LEAST EVERY 6 MONTHS ON THE COMPLIANCE OF LICENSEES
29 WITH THIS SECTION.

30 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS REPORTS THAT A
31 LICENSEE IS NOT IN COMPLIANCE WITH THIS SECTION, THE COMMISSION SHALL
32 TAKE IMMEDIATE ACTION TO ENSURE THE COMPLIANCE OF THE LICENSEE.

33 (I) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED
34 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR
35 AFTER JULY 1, 2007.

36 9-1A-11.

37 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
38 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

1 (B) (1) ON OR BEFORE OCTOBER 1, 2004, AN APPLICANT FOR A VIDEO
2 LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY
3 COUNTY, SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN
4 THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

5 (2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
6 COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY OPERATION
7 LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2004.

8 (C) (1) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A VIDEO
9 LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY
10 COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS
11 SUBTITLE AND A \$1,500,000 APPLICATION FEE.

12 (2) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A VIDEO
13 LOTTERY OPERATIONS LICENSE OR AN APPLICATION FEE FROM A HORSE
14 RACECOURSE IN ALLEGANY COUNTY AFTER OCTOBER 1, 2005.

15 (D) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION
16 AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE
17 STATE.

18 9-1A-12.

19 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
20 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
21 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
22 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
23 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
24 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND
25 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO
26 LOTTERY OPERATION LICENSEES.

27 9-1A-13.

28 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15
29 YEARS.

30 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,
31 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE
32 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE
33 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM
34 REQUIRED BY THE COMMISSION.

35 (C) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY
36 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF
37 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

38 (D) IF A LICENSEE HAS ITS LICENSE REVOKED OR OTHERWISE SURRENDERS
39 THE LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO THE STATE.

1 9-1A-14.

2 (A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE
3 LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED BY
4 A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

5 (B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN
6 APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND
7 ASSURANCES THAT THE COMMISSION MAY REQUIRE.

8 (C) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE LICENSE TO
9 AN APPLICANT WHO IS DISQUALIFIED DUE TO:

10 (1) THE APPLICANT'S FAILURE TO PROVE THE APPLICANT'S GOOD
11 CHARACTER, HONESTY, AND INTEGRITY;

12 (2) THE APPLICANT'S LACK OF EXPERTISE OR TRAINING TO BE A VIDEO
13 LOTTERY EMPLOYEE;

14 (3) THE APPLICANT'S CONVICTION FOR ANY CRIME INVOLVING MORAL
15 TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE;

16 (4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME
17 INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED
18 STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION
19 MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
20 CHARGE;

21 (5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN
22 OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE
23 STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF
24 THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE
25 POLICIES OF THIS SUBTITLE;

26 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A
27 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER
28 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A
29 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL
30 TO THE POLICIES OF THIS SUBTITLE;

31 (7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD
32 CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN
33 IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL
34 LAWS OF THE STATE;

35 (8) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
36 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
37 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
38 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES

1 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
2 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

3 (9) ANY OTHER REASON ESTABLISHED IN THE REGULATIONS OF THE
4 COMMISSION AS A REASON FOR DENYING A LICENSE.

5 9-1A-15.

6 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE
7 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR
8 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,
9 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT
10 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS
11 SUBTITLE.

12 (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS
13 THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER
14 PRINCIPAL EMPLOYEES OF THE MANUFACTURER, SHALL QUALIFY UNDER THE
15 STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS
16 SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

17 (C) EXCEPT AS PROVIDED IN § 9-1A-16(A) OF THIS SUBTITLE, THE
18 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING
19 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

20 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
21 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
22 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
23 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.

24 9-1A-16.

25 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A
26 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A
27 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE
28 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,
29 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS
30 SUBTITLE, THE COMMISSION MAY:

31 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
32 AND

33 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
34 ANOTHER STATE.

35 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE
36 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR
37 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF
38 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL
39 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO

1 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY
2 THIS SUBTITLE.

3 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A
4 LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT ANY TIME
5 AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

6 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
7 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
8 AND

9 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR
10 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION
11 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A
12 CONDITION OF THE WAIVER OR EXEMPTION.

13 (C) THE COMMISSION MAY NOT WAIVE ANY OF THE REQUIREMENTS OF THIS
14 SUBTITLE FOR ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE.

15 9-1A-17.

16 SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR SUSPEND
17 A LICENSE, A LICENSE IN FORCE MAY BE RENEWED BY THE COMMISSION FOR THE
18 NEXT SUCCEEDING LICENSE PERIOD ON:

19 (1) PROPER APPLICATION FOR RENEWAL; AND

20 (2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER
21 FEES AND TAXES.

22 9-1A-18.

23 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY
24 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
25 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO
26 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
27 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
28 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
29 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
30 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
31 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
32 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

33 (B) CONSISTENT WITH THE POLICY DESCRIBED IN SUBSECTION (A) OF THIS
34 SECTION, IT IS THE INTENT OF THIS SECTION TO:

35 (1) PRECLUDE:

36 (I) THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
37 REQUIRED UNDER THIS SUBTITLE;

1 (II) THE ACCRUAL OF ANY MONETARY VALUE TO THE PRIVILEGE
2 OF PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

3 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
4 SUBTITLE; AND

5 (2) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY OPERATIONS BE
6 CONDITIONED SOLELY ON THE CONTINUING INDIVIDUAL QUALIFICATIONS OF THE
7 PERSON WHO SEEKS THE PRIVILEGE.

8 9-1A-19.

9 (A) A LICENSE ISSUED UNDER THIS SUBTITLE MAY NOT BE:

10 (1) TRANSFERRED OR ASSIGNED TO ANOTHER PERSON; OR

11 (2) PLEDGED AS COLLATERAL.

12 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN
13 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

14 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED
15 SALE OR TRANSFER; AND

16 (II) THE COMMISSION DETERMINES THAT THE PROPOSED BUYER
17 OR TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

18 (2) UNLESS THE COMMISSION NEEDS A LONGER TIME TO DETERMINE
19 WHETHER THE PROPOSED BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF
20 THIS SUBTITLE, IF THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE
21 NOT SATISFIED, A LICENSE ISSUED UNDER THIS SUBTITLE IS AUTOMATICALLY
22 REVOKED 90 DAYS AFTER THE SALE OR TRANSFER.

23 9-1A-20.

24 (A) THE DEPARTMENT OF STATE POLICE SHALL:

25 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
26 A TIMELY MANNER; AND

27 (2) COOPERATE WITH THE COMMISSION IN OBTAINING AND PROVIDING
28 THE NECESSARY BACKGROUND INVESTIGATION INFORMATION.

29 (B) (1) AN APPLICANT SHALL PROVIDE THE DEPARTMENT OF STATE POLICE
30 WITH ALL INFORMATION THE DEPARTMENT REQUIRES IN ORDER TO CONDUCT A
31 BACKGROUND INVESTIGATION.

32 (2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS
33 GROUNDS FOR THE COMMISSION TO DENY AN APPLICATION.

1 (C) (1) THE DEPARTMENT OF STATE POLICE SHALL APPLY TO THE CENTRAL
2 REPOSITORY FOR A STATE AND A NATIONAL CRIMINAL HISTORY RECORDS CHECK
3 FOR EACH APPLICANT.

4 (2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY RECORDS
5 CHECK, THE DEPARTMENT OF STATE POLICE SHALL SUBMIT TO THE CENTRAL
6 REPOSITORY:

7 (I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE
8 FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL
9 REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

10 (II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
11 PROCEDURE ARTICLE FOR ACCESS TO MARYLAND CRIMINAL HISTORY RECORDS; AND

12 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
13 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
14 RECORDS CHECK.

15 (3) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-234 OF THE CRIMINAL
16 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
17 APPLICANT AND THE DEPARTMENT OF STATE POLICE A PRINTED STATEMENT OF
18 THE APPLICANT'S CRIMINAL HISTORY RECORD INFORMATION.

19 (4) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER
20 THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED
21 BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL
22 PROCEDURE ARTICLE.

23 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN
24 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE
25 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

26 9-1A-21.

27 (A) EACH VIDEO LOTTERY TERMINAL DEVICE, THE ASSOCIATED EQUIPMENT,
28 AND THE CENTRAL COMPUTER SHALL BE:

29 (1) OWNED OR LEASED BY THE COMMISSION; AND

30 (2) UNDER THE CONTROL OF THE COMMISSION.

31 (B) (1) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE
32 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO
33 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT
34 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF
35 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
36 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

1 (2) (I) PROVIDED THE VIDEO LOTTERY TERMINALS MEET
2 COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY
3 SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF
4 VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE
5 FACILITY.

6 (II) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION
7 LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE
8 VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.

9 9-1A-22.

10 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
11 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

12 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
13 COMMISSION MAY AUTHORIZE 3,500 VIDEO LOTTERY TERMINALS FOR OPERATION
14 UNDER A VIDEO LOTTERY OPERATION LICENSE.

15 (C) IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE
16 RACECOURSE IN ALLEGANY COUNTY, THE COMMISSION MAY NOT AUTHORIZE MORE
17 THAN 1,000 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY
18 OPERATION LICENSE ISSUED FOR A LOCATION AT A HORSE RACECOURSE IN
19 ALLEGANY COUNTY.

20 9-1A-23.

21 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
22 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL
23 PAYOUT PERCENTAGE OF 87%.

24 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE
25 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 87% BUT NOT MORE THAN 95% FOR
26 VIDEO LOTTERY TERMINALS.

27 (3) THE COMMISSION MAY APPROVE AN AVERAGE ANNUAL PAYOUT
28 PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY TERMINALS AT A VIDEO
29 LOTTERY FACILITY.

30 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2 A.M.

31 (C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE FOR ALL
32 MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY OPERATION.

33 9-1A-24.

34 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION
35 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION
36 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

1 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A
2 VIDEO LOTTERY OPERATION LICENSEE MAY NOT PROVIDE FOOD OR BEVERAGES,
3 INCLUDING ALCOHOLIC BEVERAGES, TO INDIVIDUALS AT NO COST.

4 (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES,
5 OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS
6 MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO
7 BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES
8 AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS
9 LOCATED.

10 (3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD AT NO
11 COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE 2B, § 12-106
12 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER OF SPIRITUOUS,
13 MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER THE LAWS OF MARYLAND.

14 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
15 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE
16 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN
17 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
18 TERMINALS ARE LOCATED.

19 (D) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE
20 ESTABLISHMENT OF A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY
21 EXCLUDED OR EJECTED BY A VIDEO LOTTERY OPERATION LICENSEE FROM ANY
22 VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

23 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
24 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
25 RELATING TO INDIVIDUALS:

26 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
27 ADOPTED BY THE COMMISSION;

28 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
29 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
30 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
31 GAMBLING OFFENSE; OR

32 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
33 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
34 PERSON.

35 (3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
36 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
37 EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL PLACED
38 BY THE COMMISSION ON THE LIST OF INDIVIDUALS TO BE EXCLUDED OR EJECTED.

39 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
40 JUDICIAL REVIEW.

1 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER
2 MAY NOT BE A REASON FOR PLACING THE NAME OF AN INDIVIDUAL ON THE LIST OF
3 INDIVIDUALS TO BE EXCLUDED OR EJECTED.

4 (E) (1) BY REGULATION, THE COMMISSION SHALL ADOPT MEASURES THAT
5 ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF PROBLEM GAMBLING.

6 (2) (I) THE REGULATIONS SHALL INCLUDE ESTABLISHMENT OF A
7 VOLUNTARY EXCLUSION LIST OF INDIVIDUALS WITH GAMBLING PROBLEMS WHO
8 HAVE REQUESTED TO BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION
9 LICENSED UNDER THIS SUBTITLE.

10 (II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A
11 SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO
12 REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED
13 PERIOD OF TIME.

14 (III) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PERMIT AN
15 INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST TO ENTER INTO THE VIDEO
16 LOTTERY FACILITY OR TO PLAY A VIDEO LOTTERY TERMINAL.

17 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
18 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
19 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE
20 VOLUNTARY EXCLUSION LIST.

21 (3) IN ORDER TO PROTECT THE PUBLIC INTEREST, THE REGULATIONS
22 SHALL INCLUDE PROVISIONS THAT:

23 (I) LIMIT THE NUMBER AND LOCATION OF AND MAXIMUM
24 WITHDRAWAL AMOUNTS FROM AUTOMATED TELLER MACHINES;

25 (II) REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY THE
26 COMMISSION TO BE MADE BY CHECK;

27 (III) REQUIRE CONSPICUOUS DISCLOSURES RELATED TO THE ODDS
28 AND PAYOUT OF VIDEO LOTTERY TERMINALS;

29 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS
30 WILL ACCEPT;

31 (V) PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS
32 AT VIDEO LOTTERY FACILITIES AND THE USE OF CREDIT CARDS, DEBIT CARDS, AND
33 SIMILAR DEVICES IN VIDEO LOTTERY TERMINALS;

34 (VI) PROVIDE CONSUMERS WITH A RECORD OF VIDEO LOTTERY
35 TERMINAL SPENDING LEVELS IF MARKETING MEASURES ARE UTILIZED THAT TRACK
36 CONSUMER SPENDING AT VIDEO LOTTERY FACILITIES; AND

1 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM
2 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY
3 MARKETING PRACTICES.

4 9-1A-25.

5 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND
6 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

7 (1) THIS SUBTITLE;

8 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

9 (3) A CONDITION THAT THE COMMISSION SETS.

10 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
11 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

12 (2) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS SECTION
13 SHALL BE CONSIDERED A SEPARATE VIOLATION.

14 (3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
15 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:

16 (I) THE SERIOUSNESS OF THE VIOLATION;

17 (II) THE HARM CAUSED BY THE VIOLATION; AND

18 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
19 WHO COMMITTED THE VIOLATION.

20 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,
21 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL
22 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO
23 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING
24 TO VIDEO LOTTERY OPERATIONS.

25 9-1A-26.

26 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS
27 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
28 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN
29 THIS SECTION.

30 (B) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL
31 OF THE REVENUE UNDER THIS SUBTITLE.

32 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
33 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN
34 THIS SECTION.

1 9-1A-27.

2 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
3 TERMINALS:

4 (1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5%
5 TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS
6 SUBTITLE; AND

7 (2) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION
8 AND EACH YEAR THEREAFTER, 4.3% TO THE STATE LOTTERY AGENCY FOR COSTS AS
9 DEFINED IN § 9-1A-01 OF THIS SUBTITLE.

10 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A HORSE RACE
11 TRACK, THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
12 TERMINALS:

13 (1) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
14 9-1A-29 OF THIS SUBTITLE;

15 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
16 COMMISSION, 39% TO VIDEO LOTTERY OPERATION LICENSEES TO BE DISTRIBUTED
17 IN THE FOLLOWING MANNER:

18 (I) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
19 PIMLICO RACE COURSE, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION
20 LICENSE AT THE PIMLICO RACE COURSE;

21 (II) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT
22 LAUREL PARK, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT
23 LAUREL PARK;

24 (III) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
25 ROSECROFT RACEWAY, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION
26 LICENSE AT THE ROSECROFT RACEWAY; AND

27 (IV) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
28 RACECOURSE IN ALLEGANY COUNTY, 39% TO THE HOLDER OF THE VIDEO LOTTERY
29 OPERATION LICENSE AT THE RACECOURSE IN ALLEGANY COUNTY;

30 (3) (I) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
31 COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
32 PIMLICO RACE COURSE, LAUREL PARK, AND ROSECROFT RACEWAY, 4.75% IN LOCAL
33 DEVELOPMENT GRANTS TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

34 1. 1.78% TO BALTIMORE CITY;

35 2. 1.78% TO PRINCE GEORGE'S COUNTY;

36 3. 0.7% TO ANNE ARUNDEL COUNTY;

1 4. 0.33% TO HOWARD COUNTY; AND

2 5. 0.16% TO THE CITY OF LAUREL; AND

3 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
4 COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
5 RACECOURSE IN ALLEGANY COUNTY, 4.75% TO ALLEGANY COUNTY;

6 (4) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
7 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
8 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND
9 LAUREL PARK, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
10 9-1A-27 OF THIS SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE
11 MARYLAND-BRED RACE FUND; AND

12 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
13 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
14 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
15 LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND LAUREL PARK, 5.95% TO
16 THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
17 SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE
18 FUND;

19 (5) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
20 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
21 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.25%
22 TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
23 SUBTITLE FOR STANDARDBRED PURSES AND THE STANDARDBRED RACE FUND; AND

24 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
25 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
26 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
27 LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.95% TO THE PURSE
28 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE FOR
29 STANDARDBRED PURSES AND THE STANDARDBRED RACE FUND; AND

30 (6) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
31 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
32 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY
33 COUNTY, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
34 9-1A-28 OF THIS SUBTITLE TO BE DIVIDED BETWEEN STANDARDBRED AND
35 THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND AND THE
36 STANDARDBRED RACE FUND IN PROPORTION TO THE NUMBER OF THOROUGHBRED
37 RACING DAYS AND STANDARDBRED RACING DAYS CONDUCTED; AND

38 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
39 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
40 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
41 LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY COUNTY, 5.95% TO THE
42 PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE TO

1 BE DIVIDED BETWEEN STANDARDBRED AND THOROUGHBRED PURSES AND THE
2 MARYLAND-BRED RACE FUND AND THE STANDARDBRED RACE FUND IN
3 PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND
4 STANDARDBRED RACING DAYS CONDUCTED.

5 (C) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A
6 NONRACETRACK DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM
7 THE PROCEEDS OF VIDEO LOTTERY TERMINALS:

8 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
9 COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID SHALL GO TO THE
10 VIDEO LOTTERY FACILITY;

11 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
12 COMMISSION, 4.75% IN LOCAL DEVELOPMENT GRANTS TO THE COUNTY WHERE THE
13 VIDEO LOTTERY FACILITY IS LOCATED; AND

14 (3) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED
15 UNDER § 9-1A-29 OF THIS SUBTITLE.

16 (D) (1) FOR A VIDEO LOTTERY FACILITY THAT IS A HORSE RACECOURSE, IF
17 THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% IN THE FIRST YEAR
18 OF VIDEO LOTTERY TERMINAL OPERATION OR LESS THAN 4.3% IN THE SECOND YEAR
19 OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY
20 AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE DIVIDED
21 EQUALLY AND PAID TO:

22 (I) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29
23 OF THIS SUBTITLE; AND

24 (II) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
25 9-1A-28 OF THIS SUBTITLE.

26 (2) FOR A VIDEO LOTTERY FACILITY THAT IS A NONRACETRACK
27 DESTINATION LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS
28 THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION OR LESS
29 THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND
30 EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY
31 AGENCY SHALL BE PAID TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
32 9-1A-29 OF THIS SUBTITLE.

33 9-1A-28.

34 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
35 THE STATE RACING COMMISSION.

36 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
37 9-1A-27 OF THIS SUBTITLE.

1 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
2 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

3 (3) THE COMPTROLLER SHALL:

4 (I) ACCOUNT FOR THE FUND; AND

5 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
6 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
7 FUND IN THE MANNER PROVIDED UNDER THIS SECTION.

8 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
9 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A
11 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION
12 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

13 (C) SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, THE
14 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE
15 COURSE, LAUREL PARK, AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE
16 ATTRIBUTABLE TO THE MILE THOROUGHBRED INDUSTRY UNDER § 9-1A-27 OF THIS
17 SUBTITLE TO:

18 (1) MILE THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE,
19 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN
20 TIMONIUM; AND

21 (2) THE MARYLAND-BRED RACE FUND.

22 (D) SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION, THE
23 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE ROSECROFT
24 RACEWAY AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE ATTRIBUTABLE
25 TO THE STANDARD BRED INDUSTRY UNDER § 9-1A-27 OF THIS SUBTITLE TO:

26 (1) STANDARD BRED PURSES AT THE ROSECROFT RACEWAY, THE
27 RACECOURSE IN ALLEGANY COUNTY, AND THE OCEAN DOWNS RACE COURSE; AND

28 (2) THE STANDARD BRED RACE FUND.

29 (E) THE AMOUNT OF FUNDS ALLOCATED TO MILE THOROUGHBRED PURSES
30 AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

31 (1) 89% TO MILE THOROUGHBRED PURSES; AND

32 (2) 11% TO THE MARYLAND-BRED RACE FUND.

33 (F) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AND
34 THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

35 (1) 89% TO STANDARD BRED PURSES; AND

1 (2) 11% TO THE STANDARD BRED RACE FUND.

2 (G) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO
3 THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS AT THAT
4 RACECOURSE.

5 (H) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM THE
6 FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION AND \$125,000 FROM THE FUNDS
7 UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO PROVIDING IMPROVED
8 HEALTH BENEFITS FOR JOCKEYS IN THE STATE.

9 9-1A-29.

10 (A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
11 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
12 PROCUREMENT ARTICLE.

13 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL
14 PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.

15 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
16 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO
17 THE FUND.

18 (C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET THE
19 TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN
20 ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH
21 GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS
22 THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288
23 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

24 (D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE
25 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

26 9-1A-30.

27 (A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS
28 SUBTITLE SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN
29 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY
30 BE USED FOR THE FOLLOWING PURPOSES:

31 (1) INFRASTRUCTURE IMPROVEMENTS;

32 (2) FACILITIES;

33 (3) PUBLIC SAFETY;

34 (4) SANITATION;

35 (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING;

36 AND

1 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE
2 COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

3 (B) (1) A LOCAL DEVELOPMENT COUNCIL SHALL BE ESTABLISHED IN EACH
4 GEOGRAPHIC AREA WHERE A VIDEO LOTTERY FACILITY IS LOCATED.

5 (2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE
6 FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN
7 WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH
8 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES
9 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY
10 COUNCILS, OR COUNTY COMMISSIONERS:

11 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE
12 FACILITY IS LOCATED;

13 (II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE
14 COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

15 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION
16 LICENSEE;

17 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE
18 PROXIMITY TO THE FACILITY; AND

19 (V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS
20 LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

21 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT
22 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A
23 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT
24 FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF
25 THIS SECTION.

26 (2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT
27 COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING
28 THE PLAN REQUIRED UNDER THIS SUBSECTION.

29 (3) A COUNTY SHALL SUBMIT THE PLAN TO THE LOCAL DEVELOPMENT
30 COUNCIL FOR REVIEW AND COMMENT BEFORE ADOPTING THE PLAN OR EXPENDING
31 ANY GRANT FUNDS.

32 (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY
33 ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND
34 PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

35 (5) (I) A LOCAL DEVELOPMENT COUNCIL SHALL HAVE 45 DAYS TO
36 REVIEW, COMMENT, AND MAKE RECOMMENDATIONS ON THE PLAN REQUIRED
37 UNDER THIS SUBSECTION.

1 (II) UPON THE REQUEST OF A LOCAL DEVELOPMENT COUNCIL, THE
2 COUNTY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

3 (6) A COUNTY SHALL MAKE BEST EFFORTS TO ACCOMMODATE THE
4 RECOMMENDATIONS OF THE LOCAL DEVELOPMENT COUNCIL AND ANY TESTIMONY
5 PRESENTED AT THE HEARING BEFORE ADOPTING THE PLAN REQUIRED UNDER THIS
6 SUBSECTION.

7 (D) A VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE TO THE LOCAL
8 DEVELOPMENT COUNCIL A MASTER PLAN FOR THE DEVELOPMENT OF THE SITE ON
9 WHICH THE VIDEO LOTTERY FACILITY WILL BE LOCATED.

10 9-1A-31.

11 (A) THE STATE MAY PAY FOR THE REASONABLE TRANSPORTATION COSTS TO:

12 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
13 PROXIMITY TO THE FACILITY; AND

14 (2) MAKE EACH VIDEO LOTTERY FACILITY ACCESSIBLE TO THE PUBLIC.

15 (B) (1) A COMPREHENSIVE TRANSPORTATION PLAN SHALL BE:

16 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,
17 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §
18 9-1A-30 OF THIS SUBTITLE; AND

19 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
20 TRANSPORTATION.

21 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
22 PROVISIONS ON ROADS AND MASS TRANSIT.

23 (C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL FACILITATE
24 NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE MOST PRACTICAL
25 INGRESS TO AND EGRESS FROM THE VIDEO LOTTERY FACILITY.

26 9-1A-32.

27 (A) THE COMMISSION SHALL:

28 (1) ESTABLISH AN ANNUAL FEE OF \$390, TO BE PAID BY EACH VIDEO
29 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED
30 BY THE LICENSEE DURING THE YEAR; AND

31 (2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS
32 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION
33 (B) OF THIS SECTION.

34 (B) (1) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
35 HEALTH AND MENTAL HYGIENE.

1 (2) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
2 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
3 PROCUREMENT ARTICLE.

4 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
5 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
6 ACCRUE TO THE FUND.

7 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
8 MADE ONLY:

9 (I) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO:

10 1. ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND
11 PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT
12 SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

13 2. DEVELOP AND IMPLEMENT A PROBLEM GAMBLING
14 PREVENTION PROGRAM; AND

15 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
16 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
17 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
18 PROCUREMENT ARTICLE.

19 9-1A-33.

20 THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR AND,
21 SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY:

22 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY; AND

23 (2) WITH THE ASSISTANCE OF LOCAL POLICE DEPARTMENTS AND THE
24 DEPARTMENT OF STATE POLICE, DETAILING THE CRIMES THAT OCCUR WITHIN THE
25 COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.

26 **Article - State Finance and Procurement**

27 11-203.

28 (a) Except as provided in subsection (b) of this section, this Division II does
29 not apply to:

30 (1) procurement by:

31 (xviii) the Maryland Energy Administration, when negotiating or
32 entering into grants or cooperative agreements with private entities to meet federal
33 specifications or solicitation requirements related to energy conservation, energy
34 efficiency, or renewable energy projects that benefit the State; [and]

1 (xix) the Maryland Developmental Disabilities Administration of the
 2 Department of Health and Mental Hygiene for family and individual support services,
 3 and individual family care services, as those terms are defined by the Department of
 4 Health and Mental Hygiene in regulation; AND

5 (XX) THE STATE LOTTERY AGENCY FOR NEGOTIATING AND
 6 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,
 7 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS;

8 (b) (1) (i) The following provisions of this Division II apply to each
 9 procurement enumerated in subsection (a) of this section:

- 10 1. § 11-205 of this subtitle ("Fraud in procurement");
- 11 2. § 12-204 of this article ("Board approval for designated
 12 contracts");
- 13 3. Title 12, Subtitle 2 of this article ("Supervision of Capital
 14 Expenditures and Real Property Leases");
- 15 4. § 13-219 of this article ("Required clauses -
 16 Nondiscrimination clause");
- 17 5. § 13-221 of this article ("Disclosures to Secretary of
 18 State");
- 19 6. Title 16 of this article ("Debarment of Contractors"); and
- 20 7. Title 17 of this article ("Special Provisions - State and
 21 Local Subdivisions").

22 (ii) Title 14, Subtitle 3 of this article applies to a procurement by
 23 the Maryland Developmental Disabilities Administration of the Department of
 24 Health and Mental Hygiene exempt under subsection (a)(1)(xix) of this section.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the laws of Maryland
 26 read as follows:

27 **Article - State Government**

28 9-1A-34.

29 (A) THERE IS A VIDEO LOTTERY FACILITY LOCATION COMMISSION.

30 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION CONSISTS OF
 31 NINE MEMBERS.

32 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
 33 PRESIDENT OF THE SENATE;

1 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER
2 OF THE HOUSE; AND

3 (III) FIVE OF THE MEMBERS SHALL BE APPOINTED BY THE
4 GOVERNOR.

5 (3) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION
6 COMMISSION SERVE AT THE PLEASURE OF THE INDIVIDUAL WHO APPOINTED THE
7 MEMBER.

8 (4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION
9 COMMISSION SHALL CHOOSE A CHAIRMAN FROM AMONG THE MEMBERS.

10 (C) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

11 (1) SHALL BE AT LEAST 21 YEARS OF AGE;

12 (2) SHALL BE A CITIZEN OF THE UNITED STATES;

13 (3) SHALL BE A RESIDENT OF THE STATE AT THE TIME OF
14 APPOINTMENT;

15 (4) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
16 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
17 OR MORAL TURPITUDE;

18 (5) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO
19 HOLDS A LICENSE UNDER THIS SUBTITLE;

20 (6) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST,
21 OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR
22 OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING
23 HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

24 (7) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
25 RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING OR
26 LOTTERY; AND

27 (8) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
28 MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING
29 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
30 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING ACTIVITY.

31 (D) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

32 (1) MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE VIDEO
33 LOTTERY FACILITY LOCATION COMMISSION; BUT

34 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
35 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

1 (E) THE STATE LOTTERY COMMISSION SHALL PROVIDE STAFF TO THE VIDEO
2 LOTTERY FACILITY LOCATION COMMISSION.

3 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT
4 MORE THAN TWO VIDEO LOTTERY OPERATION LICENSES:

5 (1) FOR NONRACETRACK DESTINATION LOCATIONS TO QUALIFIED
6 BIDDERS; AND

7 (2) THROUGH COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE
8 STATE FINANCE AND PROCUREMENT ARTICLE.

9 (G) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY FACILITY LICENSE
10 UNDER THIS SECTION, A PROPOSED VIDEO LOTTERY FACILITY SHALL BE LOCATED
11 IN ONE OF THE FOLLOWING COUNTIES:

12 (I) PRINCE GEORGE'S COUNTY;

13 (II) HOWARD COUNTY;

14 (III) BALTIMORE CITY;

15 (IV) BALTIMORE COUNTY;

16 (V) HARFORD COUNTY; OR

17 (VI) CECIL COUNTY.

18 (2) A NONRACETRACK VIDEO LOTTERY FACILITY UNDER THIS SECTION
19 MAY NOT BE LOCATED ON THE SITE OF ANY HORSE RACECOURSE IN THE STATE
20 EXISTING ON JULY 1, 2003.

21 (H) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO
22 LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE FOLLOWING
23 FACTORS:

24 (1) THE HIGHEST POTENTIAL BENEFIT TO THE STATE;

25 (2) THE CAPITAL CONSTRUCTION PROPOSAL FOR A VIDEO LOTTERY
26 FACILITY, INCLUDING ANY ROAD IMPROVEMENTS THAT MAY BE REQUIRED;

27 (3) ESTIMATED REVENUES FOR THE STATE AND LOCAL JURISDICTION
28 FROM THE VIDEO LOTTERY FACILITY, INCLUDING PROPERTY TAX REVENUES;

29 (4) THE NUMBER OF JOBS TO BE CREATED DUE TO THE VIDEO LOTTERY
30 FACILITY;

31 (5) THE AMOUNT OF AN INITIAL LICENSE FEE TO BE PAID ON AWARD OF
32 A BID;

1 (6) THE PERCENTAGE OF MINORITY PARTICIPATION IN THE OWNERSHIP
2 OF THE VIDEO LOTTERY FACILITY;

3 (7) THE LOCATION OF THE PROPOSED VIDEO LOTTERY FACILITY;

4 (8) IMPACT ON OTHER ENTERTAINMENT OR GAMING ESTABLISHMENTS;

5 (9) THE COMPATIBILITY OF THE PROPOSED FACILITY WITH THE
6 SURROUNDING COMMUNITY; AND

7 (10) ANY OTHER FACTOR DEEMED RELEVANT IN MAKING A
8 DETERMINATION.

9 (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
10 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT
11 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

12 (J) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
13 REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL RELEVANT
14 INFORMATION CONCERNING A PERSON WHO MAKES A BID UNDER THIS SECTION.

15 (2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS
16 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL DETERMINE WHETHER A
17 BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE
18 UNDER THIS SUBTITLE.

19 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY
20 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
21 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO
22 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

23 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AUTHORIZE
24 A TOTAL OF 4,000 VIDEO LOTTERY TERMINALS TO BE DIVIDED BETWEEN THE TWO
25 NONRACETRACK DESTINATION FACILITIES AS PROVIDED BY THE VIDEO LOTTERY
26 FACILITY LOCATION COMMISSION.

27 (L) AFTER AWARD OF A VIDEO LOTTERY OPERATION LICENSE UNDER THIS
28 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL BE RESPONSIBLE FOR ALL
29 MATTERS RELATING TO REGULATION OF THE LICENSEE.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
31 read as follows:

32 **Article - State Finance and Procurement**

33 11-203.

34 (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through
35 [(xix)] (XX) of this section shall be made under procedures that promote the purposes
36 stated in § 11-201(a) of this subtitle.

1 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **Article - State Finance and Procurement**

4 11-203.

5 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through
6 [(xix)] (XX) of this section shall be made under procedures that promote the purposes
7 stated in § 11-201(a) of this subtitle.

8 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
9 Act or the application thereof to any person or circumstance is held invalid for any
10 reason in a court of competent jurisdiction, the invalidity does not affect other
11 provisions or any other application of this Act which can be given effect without the
12 invalid provision or application, and for this purpose the provisions of this Act are
13 declared severable.

14 SECTION 6. AND BE IT FURTHER ENACTED, That the intent of this Act, and
15 its various integrated provisions, is to provide for the authorization and regulation of
16 certain gaming devices for the purpose of generating State revenues and other funds
17 for specified purposes, including funding public education and assisting the State's
18 racing industry. This section is not intended to detract from the application of the
19 severability provision contained in Section 4 of this Act or from the ability of a court
20 of competent jurisdiction to consider and apply appropriate severability principles in
21 the event of a judicial challenge to the validity of a specific portion or portions of the
22 bill.

23 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by
24 the Board of Public Works under § 14-303(b) of the State Finance and Procurement
25 Article of the Annotated Code of Maryland, in consultation with the General
26 Assembly and the Office of the Attorney General, shall initiate two studies of the
27 requirements of § 9-1A-09 of the State Government Article as enacted by Section 1 of
28 this Act that evaluate the continued compliance of the requirement with any federal
29 and constitutional requirements. In preparation for the studies, the State Lottery
30 Commission shall require video lottery operation license applicants and licensees to
31 provide any information necessary to perform the study. The studies shall also
32 evaluate race-neutral programs or other methods that can be used to address the
33 needs of minority investors and minority businesses. A final report of the first study
34 shall be submitted to the Legislative Policy Committee on or before December 1, 2005,
35 so that the General Assembly may review the report prior to the 2006 Session. A final
36 report of the second study shall be submitted to the Legislative Policy Committee on
37 or before September 30, 2007, so that the General Assembly may review the report in
38 conjunction with the report of the study on the Minority Business Enterprise Program
39 prior to the 2008 Session.

40 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of
41 Transportation shall study the impact of the increased traffic resulting from any
42 proposed operation of video lottery terminals at Pimlico Race Course, including the

1 need for an interchange on Jones Falls Expressway between Northern Parkway and
2 Interstate 695. The Department of Transportation shall provide a final report on the
3 study required under this section to the General Assembly on or before December 1,
4 2004, in accordance with § 2-1246 of the State Government Article.

5 SECTION 9. AND BE IT FURTHER ENACTED, That this Act may not be
6 construed to affect the terms of the members of the State Lottery Commission
7 appointed before the effective date of this Act. The terms of the four new members of
8 the State Lottery Commission appointed under this Act shall expire as follows:

9 (1) one member in 2006;

10 (2) one member in 2007; and

11 (3) two members in 2008.

12 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act
13 shall take effect June 1, 2004. It shall remain effective for a period of 1 year following
14 the award of the second video lottery operation license for a nonracetrack destination
15 location and with no further action required by the General Assembly, Section 2 of
16 this Act shall be abrogated and of no further force and effect. On award of the second
17 video lottery operation license, the Video Lottery Facility Location Commission
18 within 5 days after the award shall notify in writing the Department of Legislative
19 Services, 90 State Circle, Annapolis, Maryland 21401.

20 SECTION 11. AND BE IT FURTHER ENACTED, That Section 3 of this Act
21 shall take effect June 1, 2004. It shall remain effective until the taking effect of
22 Section 4 of this Act. If Section 4 of this Act takes effect, Section 3 of this Act shall be
23 abrogated and of no further force and effect.

24 SECTION 12. AND BE IT FURTHER ENACTED, That Section 4 of this Act
25 shall take effect on the expiration of Chapter 402 of the Acts of the General Assembly
26 of 2003.

27 SECTION 13. AND BE IT FURTHER ENACTED, That, subject to Sections 10,
28 11, and 12 of this Act, this Act shall take effect June 1, 2004.